

**Minimizing environmental impact in physical distribution**

← P12 CSR Policy 5

● **Improving transportation efficiency**

With a target of reducing CO<sub>2</sub> emissions per unit of production by 1% every year, the Hitachi Chemical Group seeks to save energy through greater transportation efficiencies and the promotion of modal shifts based on an analysis of energy consumption in physical distribution.

In fiscal 2007 Hitachi Chemical and Shin-Kobe Electric Machinery Co., Ltd., which are designated as specified shippers under the Law Concerning the Rational Use of Energy, reduced emissions per unit by more than 1% compared with the previous year.

● **Reducing the number of company cars and introducing low-pollution vehicles**

In fiscal 2007, the number of vehicles (including forklifts) owned by manufacturing sites totaled 289 on a non-consolidated basis (278 in 2006) and 782 on a consolidated basis (822 in 2006), of which low-pollution vehicles accounted for 19% and 37%, respectively.

We will continue to reduce the overall number of company-owned cars and promote conversion to low-pollution vehicles such as hybrid vehicles.

● **Scaling back on packaging materials**

The Hitachi Chemical Group is reducing the consumption of packaging materials to lower the environmental burden of



Plastic returnable container for "Photec"

product shipping. As part of this effort, we are actively adopting the use of returnable plastic containers and recyclable packaging materials both at home and abroad.

● **Ensuring safe transportation of products and raw materials**

The Hitachi Chemical Group issues "yellow cards" (emergency contact cards) that clearly specify measures to be taken in the event of an emergency during transportation of products. We also use yellow container card labels that display emergency measures to ensure safety during the transportation and use of products containing hazardous and toxic chemical substances as well as to alleviate environmental impact in the event of an accident. In addition, we request that suppliers delivering raw materials also carry yellow cards.

**Caring for the environment in offices**

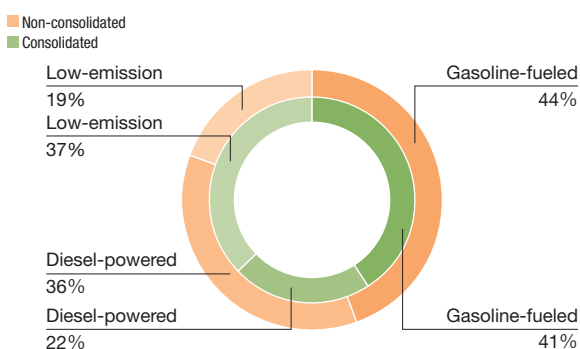
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The Hitachi Chemical Group undertakes green procurement of office equipment, which places priority on purchasing products bearing the Eco Mark or which comply with the Green Procurement Law. In fiscal 2006, the ratio of green procurement\* was 70% on a non-consolidated basis and 70% on a consolidated basis.

Furthermore, Hitachi Chemical utilizes the "e-sourcing" electronic ordering and purchasing system to raise the efficiency of its green procurement by centralizing purchasing control for the entire company.

\* **Ratio of green procurement:** amount of green procurement / total amount of procurement.

**Ratio of low-pollution company cars** (As of March 31, 2008)



**Ratio of packaging materials** (FY2007)

